UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/682,701	10/08/2001	Bruno Jandasek	201-0133 DBK	1549

28395 7590 09/04/2008

BROOKS KUSHMAN P.C./FGTL
1000 TOWN CENTER
22ND FLOOR
SOUTHFIELD, MI 48075-1238

EXAMINER	
WINTER, JOHN M	

ART UNIT	PAPER NUMBER
3685	

MAIL DATE	DELIVERY MODE
09/04/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BRUNO JANDASEK, DAN WYLIE, FREDERICK MILLER,
JOSEPH SABATO, and MICHAEL BURNS

Appeal 2007-2173
Application 09/682,701
Technology Center 3600

Decided: October 16, 2007

Before HUBERT C. LORIN, LINDA E. HORNER, and DAVID B. WALKER, *Administrative Patent Judges*.

HORNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Bruno Jandasek et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-16 and 19-23. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE and ENTER A NEW GROUND OF REJECTION UNDER 37 C.F.R. § 41.50(b).

THE INVENTION

The Appellants' claimed invention is to a computer-implemented method and system for supporting price negotiations (Specification 1:¶0002). Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A computer system for generating a cost estimate, the computer system configured to:
>
> receive input at a computing device specifying at least one item to add to a cost estimate wherein the computing device automatically adds a burden associated with the at least one item to the cost estimate; and
>
> output from the computing device a first value chain for the at least one item selected by the computing device based on one or more constituent component(s) of the item(s) and supply tier wherein the value chain includes an image and burden information for the at least one item and each constituent component.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Foley	US 5,249,120	Sep. 28, 1993
Evans	US 6,775,647 B1	Aug. 10, 2004

The Appellants seek our review of the Examiner's rejection of claims 1-16 and 19-23 under 35 U.S.C. § 103(a) as unpatentable over Evans and Foley.

ISSUE

The Appellants contend that "neither the Evans nor the Foley references teach[es] or suggest[s] outputting or otherwise displaying a value chain for an item comprising a display of the item's component parts *organized by supply tier*, each part including an associated image and burden information" (Appeal Br. 3) (emphasis in original). The Examiner found that Evans discloses a system for generating a cost estimate, the system configured to output a first value chain for the item by the item's component(s) and supply tier as claimed (Answer 3 & 5, citing Evans, Fig. 16, col. 7, ll. 19-29). The issue before us is whether the Appellants have shown that the Examiner erred in finding that Evans discloses a system configured to output a value chain for at least one item selected by the computing device based on one or more constituent component(s) of the item(s) and supply tier.

FINDINGS OF FACT

We find that the following enumerated findings are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. The Appellants do not provide a definition of "value chain" in the Specification, nor do they proffer an explanation of the meaning of the phrase in their arguments.

2. The only reference to "value chain" in the Specification states, "a computer-implemented method for generating cost estimates includes defining a cost estimate for a product wherein the product comprises at least one component, and outputting *a value chain* for the product by component and supplier tier wherein the value chain includes a picture and pricing information for the at least one component." (Specification 3-4:¶0013) (emphasis added). This statement in the Specification simply reiterates the claim language without providing any further explanation or definition of "value chain."

3. The term "value chain" appears have a meaning within the business art that is inconsistent with the use of the term in the claims. For example, several business texts and dictionaries provide definitions of "value chain" that encompass a sequence of activities and/or a value-added analysis that occurs from product design through product distribution and service.[1]

---

[1] Definitions of "value chain" in the business art include:
1) "[A] supply chain analyzed in terms of how much value is added during the various stages from, e.g. purchase of raw materials to sale of finished product." http://encarta.msn.com/dictionary_561534405/value_chain.html
2a) the sequence of business activities by which, in the perspective of the end user, value is added to products or services produced by an organization; 2b) the sequence of activities a company performs in order to design, produce, market, deliver, and support its product or service. The concept of the value chain was first suggested by Michael Porter in 1985, to demonstrate how value for the customer accumulates along the chain of organizational activities that make up the final customer product or service. Porter describes two different types of business activity: primary and secondary. Primary activities are concerned principally with

4. The Appellants' claimed invention is used to generate a cost estimate for supporting price negotiations between a buyer and a supplier (Specification 1:¶ 0002). As such, the output appears to be a cost estimate reflecting costs associated with design and/or manufacture of an item to be supplied by a supplier, and is thus but one link in the overall value chain. As such, it appears that the Appellants are using value chain in their claims in a manner inconsistent with the accepted definition of this phrase.

5. The Specification fails to clearly explain or define a "supply tier." While the Appellants' Specification does not use the phrase "supply tier," it does refer in several instances to a "supplier tier." For example, the Specification describes that "Figure 3 is an example GUI for viewing a

---

transforming inputs, such as raw materials, into outputs, in the form of products or services, delivery, and after-sales support. Secondary activities support the primary activities and include procurement, technology development, and human resource management. All of these activities form part of the value chain and can be analyzed to assess where opportunities for competitive advantage may lie. To survive competition and supply what customers want to buy, the firm has to ensure that all value chain activities link together, even if some of the activities take place outside the organization. www.dictionary.bnet.com/definition/Value_Chain.html
3) Interlinked value-adding activities that convert inputs into outputs which, in turn, add to the bottom line and help create competitive advantage. A value chain typically consists of (1) inbound distribution or logistics, (2) manufacturing operations, (3) outbound distribution or logistics, (4) marketing and selling, and (5) after-sales service. These activities are supported by (6) purchasing or procurement, (7) research and development, (8) human resource development, (9) and corporate infrastructure. http://www.businessdictionary.com/definition/value-chain.html.

detailed supply chain for a particular tool items or assembly, by supplier tier, in accord with the present invention." (Specification 4:¶ 0017). The Specification further describes, "the tool item supply chain 60 shown in Figure 3 is presented in an outline format to reflect the tiered nature of the item's supply chain. In addition, a detailed description/photograph button 62a for the tool item and each of its constituent components (62b – 62n) and subassemblies is provided" (Specification 8:¶ 0037). While the Specification describes generally that Figure 3 shows an example interface for viewing a detailed supply chain for a particular item or assembly by supplier tier, it does not clearly explain what constitutes the supplier tier(s) in Figure 3.

6. We are not aware of any definitions of "supply tier" or "supplier tier" in the business art.

7. The Appellants' use of supply chain in the Specification appears to be inconsistent with the accepted use of the term in the business art. In particular, the definitions of "supply chain" that we found in the art describe a network of entities (e.g., manufacturers, wholesalers, distributors, and retailers) who turn raw materials into finished goods and services and deliver them to consumers.[2]

---

[2] Definitions of "supply chain" in the business art include:
1) [T]he network of manufacturers, wholesalers, distributors, and retailers, who turn raw materials into finished goods and services and deliver them to consumers. Supply chains are increasingly being seen as integrated entities, and closer relationships between the organizations throughout the chain can bring competitive advantage, reduce costs, and help to maintain a loyal customer base.

8. We see no representation of such a supply chain in Figure 3 of the Specification. Rather, Figure 3 appears to show a breakdown of costs associated with the manufacture of components of an item (Specification, Fig. 3).

PRINCIPLES OF LAW

The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether "those skilled in the art would understand what is claimed when the claim is read in light of the specification." *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.,* 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted). "All words in a claim must be considered in judging the patentability of that claim against the prior art. If no reasonably definite meaning can be ascribed to certain terms in the claim, the subject matter does not become obvious - the claim becomes indefinite." *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970). A prior art rejection of a claim, which is so indefinite that "considerable speculation as to meaning of the terms employed

---

www.dictionary.bnet.com/definition/supply+chain.html
2) Entire network of entities, directly or indirectly interlinked and interdependent in serving the same consumer or customer. It comprises of vendors that supply raw material, producers who convert the material into products, warehouses that store, distribution centers that deliver to the retailers, and retailers who bring the product to the ultimate user. Supply chains underlie value-chains because, without them, no producer has the ability to give customers what they want, when and where they want, at the price they want. Producers compete with each other only through their supply chains, and no degree of improvement at the producer's end can make up for the deficiencies in a supply chain which reduce the producer's ability to compete. http://www.businessdictionary.com/definition/supply-chain.html.

and assumptions as to the scope of such claims" is needed, is likely imprudent. *See In re Steele*, 305 F.2d 859, 862 (CCPA 1962) (holding that the examiner and the board were wrong in relying on what at best were speculative assumptions as to the meaning of the claims and basing a rejection under 35 U.S.C. § 103 thereon.)

ANALYSIS

Claim Interpretation

Independent claim 1 recites a computer system configured to "output from the computing device a first value chain for the at least one item selected by the computing device based on one or more constituent component(s) of the item(s) and supply tier wherein the value chain includes an image and burden information for the at least one item and each constituent component." Independent claim 12 similarly recites a computer-implemented method for generating a cost estimate comprising "outputting from the computing device a first value chain for the at least one item selected by the computing device based on one or more constituent component(s) of the item and corresponding supply tier wherein the value chain includes an image and burden information for the at least one item and each constituent component." Independent claim 19 likewise recites a computer system for generating a cost estimate comprising "a means for outputting from the computing device a value chain for the at least one item selected by the computing device based on one or more constituent component(s) of the item and corresponding supply tier wherein the value chain includes an image and burden information for the at least one item and each constituent component(s)."

In order to determine whether Evans discloses a computer system configured to output a value chain as claimed, we must first construe the phrases "value chain" and "supply tier" in order to determine the scope of the output limitation of the independent claims.

The Appellants do not proffer a definition of "value chain" either in their arguments or in the Specification (Finding of Fact 1). In fact, the only reference to "value chain" in the Specification simply reiterates the claim language without providing any further explanation or definition of "value chain" (Finding of Fact 2).

Neither the Examiner nor the Appellants explain their understanding of the meaning of "value chain." It is not up to us to speculate as to what each believes the term to mean. For all we know, the Appellants have one meaning in mind and the Examiner is using an entirely different meaning in rejecting the claim. Further, the term "value chain" appears have a meaning within the business art that is inconsistent with the use of the term in the claims. For example, several business texts and dictionaries provide definitions of "value chain" that encompass a sequence of activities and/or a value-added analysis that occurs from product design through product distribution and service (Finding of Fact 3). Within the context of the Appellants' Specification, however, only one piece of the traditional value chain is examined. In particular, the Appellants' claimed invention is used to generate a cost estimate for supporting price negotiations between a buyer and a supplier, such that the output appears to be a cost estimate reflecting costs associated with design and/or manufacture of an item to be supplied by a supplier,

and is thus but one link in the overall value chain (Finding of Fact 4). Accordingly, it is unclear what the claim is referring to when it states that the system outputs "a value chain."

Similarly, the claim recites a "supply tier" but the Specification fails to clearly explain or define a supply tier (Finding of Fact 5). While the Appellants' Specification does not use the phrase "supply tier," it does refer in several instances to a "supplier tier" (*Id.*). The Specification describes generally that Figure 3 shows an example interface for viewing a detailed supply chain for a particular item or assembly by supplier tier, but it does not clearly explain what constitutes the supplier tier(s) in Figure 3 (*Id.*). We are not aware of any definitions of "supply tier" or "supplier tier" in the business art (Finding of Fact 6). The closest definitions we could find related to supply chain, but the Specification appears to distinguish between a supply chain and a supply tier. We are not sure how these two concepts relate. Further, the Appellants' use of supply chain in the Specification appears to be inconsistent with the accepted use of the term in the business art (Finding of Fact 7). In particular, the definitions of "supply chain" that we found in the art describe a network of entities (e.g., manufacturers, wholesalers, distributors, and retailers) who turn raw materials into finished goods and services and deliver them to consumers (*Id.*). We see no representation of such a supply chain in Figure 3. Rather, Figure 3 appears to show a breakdown of costs associated with the manufacture of components of an item (Finding of Fact 8).

We have no clear definition of what is meant by the claimed "value chain" and "supply tier," and we decline to speculate as to their meanings. It is the Appellants' burden to precisely define the invention, not the PTO's. *In re Morris*, 127 F.3d 1048, 1056 (Fed. Cir. 1997). Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

In addition to certain terms used in the independent claims being vague or indefinite, the phrasing of certain portions of the claims is also difficult to understand. In particular, the independent claims require that the item, for which a value chain is output by the system or method, is *selected by the computing device based on one or more constituent component(s) of the item(s) and supply tier.* It is not clear from either the wording of the claim or the Appellants' Specification how the computing device selects the item based on components and a supply tier. It is also not clear whether our understanding of the claim language is what the Appellants' intended. For example, the "selected by" phrase could have been

meant to refer to the output of the computing device and not to the item. The claims, however, are worded in such a way that they are vague and indefinite.

As such, we find that the claims now pending are so indefinite that those skilled in the art would not be able to understand what is claimed when the claim is read in light of the Specification. Because no reasonably definite meaning can be ascribed to certain language appearing the claims, we enter a new ground of rejection of claims 1-16 and 19-23 under 35 U.S.C. § 112, second paragraph.

Obviousness Rejection

Because we find that the claims and the terms used therein are indefinite and a determination of the scope of the claims would require us to resort to considerable speculation as to the meaning of the terms employed and assumptions as to the scope of the claims, any determination on the merits of the Examiner's obviousness rejection is imprudent. *See In re Steele*, 305 F.2d at 862. As such, we are constrained to reverse, *pro forma*, the Examiner's rejection of claims 1-16 and 19-23 under 35 U.S.C. § 103(a) as unpatentable over Evans and Foley. We hasten to add that this is a procedural reversal rather than one based upon the merits of the obviousness rejection.

CONCLUSIONS OF LAW

We conclude that we are unable to address the merits of the Examiner's rejection of claims 1-16 and 19-23 under 35 U.S.C. § 103(a) because it would

require us to resort to considerable speculation and conjecture as to the scope of the claims on appeal.

DECISION

The decision of the Examiner to reject claims 1-16 and 19-23 is reversed. We enter a new ground of rejection of claims 1-16 and 19-23 under 35 U.S.C. § 112, second paragraph, pursuant to our authority under 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of the appeal as to the rejected claims:

> (1) *Reopen prosecution*. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the Examiner, in which event the proceeding will be remanded to the Examiner. . . .
>
> (2) *Request rehearing*. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2006).

REVERSED; 41.50(b)

jrg

BROOKS KUSHMAN P.C./FGTL
1000 TOWN CENTER
22ND FLOOR
SOUTHFIELD, MI 48075-1238